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Notwithstanding these criticisms this is a noteworthy contribution to the field of sales management, and is the most usable single text available at present.

VICTOR H. PELZ.

University of Wisconsin.

NEW BOOKS

ALLEN, C. R. *The foreman and his job. A handbook for foremen and for leaders of foremen's conferences.* (Philadelphia: Lippincott. 1921. Pp. 526. \$3.50.)

Contains chapters on "The foreman and the plant," "The departmental and the work job analysis," "Putting over the supervisory job," "The analysis of the distribution of the working force block into specific and detailed responsibilities," "The analysis of the human factor block," "The detailed analysis of the term relations block," and "The instructing job."

ARMSTRONG, G. S. *Essentials of industrial costing.* (New York: Appleton. 1921. Pp. xiii, 297. \$5.)

Essentials of Industrial Costing treats of "the principles and methods by means of which the cost of production may be derived." The volume contains little that is new, but rather attempts to present the subject-matter so that it may be easily understood and applied. After presenting briefly the necessity, the purpose, and the functions of costing, the author reviews the general types of cost systems and, as well, the methods of accumulating the costs against the product. Separate and well-written chapters discuss the costing of materials and of labor, and several chapters are given to the collection, allocation, and distribution of expense. Illustrations throughout the volume assist in clarifying the text, while typical expense statements show how the various expenses are brought together, and how the distributions are proved to be in agreement with the aggregate expense first obtained.

The author maintains that theoretical economics differs from the technique of business practice, and that *for accounting purposes* interest on capital owned is not a part of production cost. Of this most accountants are thoroughly convinced; many accountants will not, however, agree with Mr. Armstrong that depreciation for cost purposes includes decline in the market value of plant or equipment. Depreciation, for cost purposes, represents *expired capital outlay*, and, regardless of market appreciation or decrease in value of plant or other manufacturing equipment, the product of a given unit of plant must absorb the original cost, less residual value, of that equipment. Market appreciation or fall in price should not enter into the computation for costing purposes.

The tables of horsepower requirements of machine motors, of steam consumption, and of the annual horsepower costs in factory steam-power plants are interesting, and should many times prove of real value to the cost accountant.

One of the most important and most interesting considerations in all costing has to do with the over-absorption or under-absorption of burden due to abnormal production. The author provides an "abnormal business" account which is credited for the monthly or periodical over-absorption of burden, and is debited for the under-absorption of the

manufacturing expense. But shall we agree with Mr. Armstrong that the balance of this abnormal business account is to be written off through profit and loss at the close of each fiscal period? Is it not preferable to recognize the longer business cycle, and to use this account as the equalizer of cost fluctuations during this business cycle? The National Association of Electrical Manufacturers, the United Typothetae of America, and other leading manufacturers' associations are recognizing this factor and are providing for it through their uniform cost-finding systems. The United Typothetae, for instance, provides a reserve for overhead account for this purpose; this account is carried along from year to year, and if the estimates have been made properly will eventually clear itself. To safeguard against lean years, the commercial printer is urged to build up a credit balance in this account, and to carry in it continually "a safe reserve to be kept." If cost accounting is to mean anything in the modern business life of the country, it must recognize and provide not only for the monthly and fiscal periods, but also for the longer and somewhat uncertain business cycle.

The final cost statements and the relation of the cost records to the financial books are discussed and illustrated. The control of the cost records by the general financial records is emphasized—only as business generally comes more fully to recognize this need will cost accounts increase in accuracy and value. The author has in this volume brought us a fresh outlook and a new contact with cost accounting, and the book is a welcome addition to the already existing literature on the subject.

J. HUGH JACKSON.

BAYS, A. W. *The law of partnerships, with questions, problems and forms, and text of Uniform Partnership act, and Uniform Limited Partnership act.* American commercial law series. Second edition. (Chicago: Callaghan & Co. 1921. Pp. 156.)

BELL, S. *Accounting principles. Their use in business management.* (New York: Macmillan. 1921. Pp. xii, 482. \$3.)

In the words of the author, the aim of this book is "to present the principles of accounting in their relation to business management." After reading the book one must feel that the title does not define the subject-matter of the volume. Rather, about one half of the text deals with elementary accounting principles, while the remaining portion might properly be termed elementary bookkeeping.

Professor Bell approaches the subject from the balance-sheet viewpoint, and follows the discussion of the balance sheet with the introduction of the income statement. Most instructors in accounting will agree that this is a sound pedagogical approach to the science of accounts. The books of final and of original entry are then introduced in their natural sequence.

The discussion of depreciation and maintenance, of the methods of calculating time, and of the managerial uses of the financial and income statements, though elementary, is very good. The position of the item of deferred expenses in the balance sheet, and of discounts on purchases and on sales respectively in the income statement may be criticised, though it should be remembered that there is considerable difference of opinion regarding this. We believe most practising accountants would disagree with the author's entries in chapter 11—the reversal-entry method finding little favor with many accountants.

The real criticism of the book, however, is in regard to its general arrangement. The author mixes intermittently chapters dealing with the more advanced principles of accounting and those dealing with the most elementary bookkeeping practice. Thus, chapter 9 contains a very good discussion of depreciation, involving the use of logarithms in computing the annual depreciation allowances, while chapter 10 is given over to the relatively simple matter of the opening and closing entries in the transfer of a business. Again, in chapters 12, 13, and 14, where the author discusses very well the analysis, interpretation, and managerial uses of the balance sheet and of the income statement, we are led to hope that at last we have got past the bookkeeping practice—only to find chapters 15, 16, and 17 given over to such elementary topics as controlling accounts and special columns, the bill book, and to simple transactions illustrating their uses. And so it continues to the end of the volume.

The subject-matter is clearly expressed and the book is well printed. It contains a very usable table of contents and is fairly well indexed.

J. HUGH JACKSON.

BLANCHARD, F. L. *The essentials of advertising*. (New York: McGraw-Hill. 1921. Pp. vii, 322.)

The title of this book is rather misleading, for although the contents of the volume may be necessary to the equipment of a writer of advertising, the student will find little to aid him in getting his ideas successfully incorporated into an advertisement. The volume is really an information manual dealing with the problems and mechanics of the principal advertising mediums and with the organization of advertising personnel. In this province there is an abundance of facts and suggestions.

The layman will find the volume an excellent survey of advertising problems and their mechanics. The practical student of advertising will find all this of value, but will want to specialize his reading, to which end the book appends a bibliography of nearly seventy titles.

CHARLES LEONARD STONE.

CHEEL, E. C. *Coöperative accounting*. Part I, *Store records and accounts as worked out by Henry F. Christensen*. Part II, *Coöperative book-keeping*. (New York: Coöperative League of America. 1920. Pp. 15. 50c.)

CLARK, F. E. *Principles of marketing*. (New York: Macmillan. 1922.)

COLE, W. M. and GEDDES, A. E. *Solutions and answers for fundamental accounting*. (Boston: Houghton Mifflin. 1921. Pp. 108.)

CONVERSE, P. D. *Marketing, methods and policies*. (New York: Prentice-Hall. 1921. Pp. xx, 650. \$3.)

CONYNGTON, H. R. *Financing an enterprise*. Vol. I, *The enterprise* (pp. 1-228). Vol. II, *The organization* (pp. 229-434). Vol. III, *The financing* (pp. 435-651). (New York: Ronald. 1921. \$7.)

This is the fifth edition (other editions in 1906, 1907, 1909 and 1915) of a work of the same title hitherto published under the *nom de plume* of "Francis Cooper." The general plan of the work is the same as for the earlier editions. Changes are chiefly those caused by the expansion of the discussion. In this process of expansion a few new chapters have been added here and there to permit the presentation of certain considerations in greater detail than formerly and to permit the more extensive use of illustrative materials.

These books do not constitute a general work on corporation finance, as the title might be considered to indicate. Rather, they deal with the promotion, including financing, of new enterprises. The point of view is that of the man experienced in promotion procedure, and the work is replete with illustrations of and suggestions and advice concerning matters of all degrees of importance from the investigation of fraudulent schemes of the sea-water-gold-process type to the personal conduct and manners in New York of the out-of-town man with an idea to sell. Many, perhaps most, of the illustrations make very interesting reading. But there is danger, in the use of such material, of confounding principles with details that are not fundamental. And, of course, the reading of books can not remedy a serious deficiency of business acumen or of pleasing personality on the part of the would-be enterpriser or promoter.

These volumes are written from the private, acquisitive point of view, rather than from the social or public-policy point of view. This fact appears clearly in the discussion of the capitalization problem. For example, in discussing overcapitalization, the author says (p. 377): "Just what constitutes overcapitalization is too large a subject for discussion here. Unquestionably, any enterprise is entitled to capitalize up to its actual value as a going concern and as much beyond as is necessary to provide for legitimate present and future needs. It is usually entitled to capitalize any real profit probabilities. It may expand its capitalization to cover profit possibilities. Any capitalization on which it can reasonably expect to pay a fair dividend, after all proper reservations have been made, is hardly open to censure. Anything beyond this is overcapitalization." And to cite another instance, Mr. Conyngton states (p. 363) that the owners of a public utility "having secured their franchise, whether by gift, purchase, or other means (the italics are the reviewer's), are by law and custom entitled to regard it and capitalize it as they would any other private property." If this is so, what are the functions of our public utility commissions?

STANLEY E. HOWARD.

DAVID, D. K. *Retail store management problems*. (Chicago: A. W. Shaw Co. 1922. Pp. xxix, 1050. \$6.75.)

DREVER, J. *The psychology of industry*. (New York: Dutton. 1921. Pp. xi, 148. \$2.50.)

"There is a great deal of talk just now about a 'new' psychology. The reference is usually to Freudian psychology. But the real new psychology is much wider than the Freudian and kindred developments. Some of these developments may be 'new,' but they are certainly not psychology." Much of this pseudopsychology has been devoted to the problems of industry; even some reputable psychology dealing with this field either has been too technical for easy comprehension or has been devoid of economic appreciation. Drever's comprehensive volume combines the virtues of science and simplicity. Throughout the book there is caution against overstatement or hasty conclusion, but no indulgence in pedantic psychological discussion. The book can be readily understood by the layman who knows no psychology.

The author's organization of his material is admirable. He postulates his problems clearly and systematically; and in the discussion following, he quotes and describes in an attractive and interesting manner a number of experiments and studies quite unusual for the size of the book. In his

discussion of the problems of the worker, the problems of the work, and the problems of the market, Drever does not attempt an elaboration of any one subject. Rather, he aims to show in specific, concrete instances the varied and valid applicability of a scientific psychology to the many fields and problems of industry.

CHARLES LEONARD STONE.

- EDGERTON, E. I. and BARTHOLOMEW, W. E. *Business mathematics. A textbook for schools.* (New York: Ronald. 1921. Pp. 305.)
- EGGLESTON, D. C. *An ideal accounting system for a retail bookstore.* (New York: National Assoc. of Book Publishers, 334 Fifth Ave. 1922. Pp. 8.)
- FLETCHER, W. L. *How to get the job you want.* (Boston: Houghton Mifflin. Pp. x, 449. \$3.)
- FORBES, W. C. *The romance of business.* (Boston: Houghton Mifflin. 1921. Pp. vi, 258. \$1.65.)
- FROTHINGHAM, F. E. *Electric railway finance.* (New York: Am. Electric Railway Assoc. 1921. Pp. 10.)
- GARDNER, E. H. *New collection methods.* (New York: Ronald. 1921. Pp. 467. \$5.)
- GILBRETH, F. B. and L. M. *Process charts.* (New York: Am. Soc. of Mechanical Engineers, 29 West 39 St. 1921. Pp. 17.)
- GILLETTE, H. P. and DANA, R. T. *Construction cost keeping and management.* (New York: McGraw-Hill. 1922. Pp. 572. \$5.)
- HAWES, A. F. *A coöperative marketing of woodland products.* Farmers' bull. 1100. (Washington: Gov. Prtg. Office, Supt. Docs. 1922. 5c.)
- HILL, O. *House property and its management.* (New York: Macmillan. 1921. Pp. 95. \$1.25.)
- HISCOX, W. J. *Factory administration in practice.* (London: Pitman. 1922.)
- HUEBNER, S. S. *The stock market.* (New York: Appleton. 1922. Pp. xv, 496. \$3.)
- KAVANAUGH, T. J. *Bank credit methods and practice.* (New York: Bankers Pub. Co. 1921. Pp. 241. \$2.50.)
- KIGGEN, H. J. *Practical business arithmetic.* (New York: Macmillan. 1922. Pp. xi, 404. \$1.40.)
- LADD, C. E. *A system of farm cost accounting.* Revised by J. S. BALL. Farmers' bull. 572. (Washington: Gov. Prtg. Office, Supt. Docs. 1922. Pp. 23.)
- LOOMIS, W. W. *Newspaper law; a digest of court decisions on commercial and legal advertising, subscriptions, contracts, official papers, libel, lotteries, contempt and copyright, classified and indexed for quick reference.* (La Grange, Ill.: Citizen Pub. Co. 1921. Pp. 112.)
- MAIRET, G. *Principles and practice of business.* (New York: Macmillan. 1921. Pp. viii, 301. \$1.60.)
- MEEKER, J. E. *The work of the stock exchange.* (New York: Ronald. 1922. Pp. xxiii, 633. \$5.)

MONTGOMERY, R. H. *Auditing theory and practice*. Vol. I, *General principles*. Third edition revised and enlarged. (New York: Ronald. 1922. Pp. xviii, 730. \$6.)

MOORE, W. C. *Complete course in advertising and advertisement writing; twenty-two practical lessons*. (Philadelphia: Warehouse Co. 1921. Pp. 30.)

MUNSON, E. L. *The management of men, a handbook on the systematic development of morale and the control of human behavior*. (New York: Holt. 1921. Pp. 801.)

General Munson has itemized here in elaborate detail the factors, conditions, and principles affecting morale in the American army. As such, the book is a very complete study, presenting an abundance of concrete illustrations and much interesting data.

The first two chapters discuss the meaning of morale and the principles of morale control, with much material which might be applicable to military situations but with little or none applicable to industry. The next five chapters, embodying some two hundred pages, discuss psychological principles, the basic instincts, and other psychological qualities. The value of this section of the book transferable to industry is minimized by two factors—the specific explanation of each topic in terms of military experience, and the nature of the psychology itself, a mosaic of the speculative psychology of McDougall, Le Bon, and Freud. Several chapters follow on the organization and mechanics of morale, profusely detailed for the military situation, but with no suggestions of industrial utility. The remainder of the book up to the final chapter deals with army leadership, the education, recreation, training, and health of soldiers, and with military rewards, punishment and delinquency. A final chapter on industrial morale endeavors to present an analogy between industry and the army. Even here we find an absence of concrete suggestions.

The author and the publishers would remove themselves from misunderstanding and from the criticism of economists if they would omit the occasional references to industry and rename the book *The Management of Soldiers*. For it is clearly apparent that military officers will find the book interesting and useful, but that “the executive man of affairs who is to apply its teachings” will find little to apply.

CHARLES LEONARD STONE.

NEWLOVE, G. H. *C. P. A. accounting*. Vol. I, *Theory, questions, and problems*. Vol. II, *Theory, auditing, and problems*. (New York: Y. M. C. A. Press. 1921. Pp. xiii, 367; xii, 331.)

NEWMAN, J. K. *The future of street railway financing*. (New York: Am. Electric Railway Assoc. 1921. Pp. 13.)

OERTMANN, P. *Die Geschäftsgrundlage; ein neuer Rechtsbegriff*. (Leipzig: A. Deichert'sche Verlagsbuchhandlung. 1921. Pp. 179. 24 M.)

POLAKOV, W. N. *Mastering power production*. (New York: Engineering Mag. Co., 120 West 32nd St. 1922. Pp. 455. \$5.)

PROCTER, A. W. *Principles of public personnel administration*. Publications of the Institute for Government Research. (New York: Appleton. 1921. Pp. xi, 244. \$3.)

RACINE, S. F. *Estate accounts*. (Seattle, Wash.: Western Inst. of Accountancy, Commerce and Finance. 1921.)

RASOR, S. E. *Mathematics for students of agriculture*. (New York: Macmillan. 1921. Pp. viii, 290.)

The standards that have been set up regarding the duty of the school, college, or university toward the question of mathematics for agricultural students, must be used in judging this book. Agricultural colleges have no standard by any means generally accepted, or, it may be added, acceptable. Shall the student take advanced algebra, solid geometry, and trigonometry in college? If so he will take two or three semesters of exacting work and will not yet be introduced to applied mathematics. There will still remain, hardly touched, the whole field of graphs, surveying and mechanics.

Professor Rasor attempts to bring into one course of a semester, or a year, first, a review of all the fundamentals of mathematics together with a little advanced work, and second, the application of the principles to all manner of things including surveying, graphing, annuities and depreciation, elementary statistics and mechanics.

There are many who believe a course in mathematics of this sort is valuable and desirable. Such courses are being offered. To those with these views the book will prove useful. It is clear and logical. However, an attempt to review algebra in 25 pages suggests strongly the question of how algebra is handled in the high schools of the country. If it is being well done the 25 pages may be helpful, though not indispensable. If it is not being well done a review of this length will be inadequate. Probably two thirds of the book is of high school grade. Whether or not it will ultimately prove desirable to take a practical view of the purpose of mathematics and select from the field usually covered, say in two or three years, the essentials, and crowd them into a single year, or less, remains to be demonstrated. In this case what the author attempts to do, he seems to have done well. Curriculum committees are, however, not through with their work on what should be given in mathematics to students of agriculture.

B. H. HIBBARD.

University of Wisconsin.

REED, R. R. and WASHBURN, L. H. *Blue sky laws, analysis and text*. (New York: Clark Boardman Co. 1921. Pp. xxxii, 172.)

RICHARDS, W. H. *Pushing a retail business; one-volume course in both advertising and salesmanship*. (Chicago: Richards School of Advertising. 1921. Pp. 384.)

ROGERS, R. *Teacher's handbook to accompany Gaño's "Commercial Law."* (New York: American Book Co. 1921. Pp. 96. 1921. 60c.)

SEWARD, G. M. *A B C of stocks, bonds and mortgages*. (Chicago: G. B. Williams Co. 1921. Pp. 69.)

SMITH, J. G. *Organized produce markets*. (New York: Longmans, Green. 1922.)

SPIPKER, J. B. and CLOUD, P. G. *Real estate business as a profession*. (Cincinnati, O.: Ebbert & Richardson Co. 1921. Pp. 77.)

TODMAN, F. S. *Wall Street accounting. A description of the business of brokerage, its accounting records and procedure.* (New York: Ronald. 1921. Pp. xv, 352. \$6.)

An enlargement and complete revision of the author's *Brokerage Accounts*, published in 1916, is presented here. The business of brokerage, its accounting records and the technique of trading in the stock and commodity markets comprise the contents. It should be of service, therefore, not only to accountants, but also to traders and investors. The author is to be commended for the good arrangement and concise presentation of his material. Part I deals with the New York stock exchange; part II, with the New York cotton exchange; part III, with the New York produce exchange, the New York coffee and sugar exchanges, and the Chicago Board of Trade; and part IV, with the auditing of stock and cotton brokerage books.

An appendix of about thirty pages contains general instructions for stock tax returns, New York stock exchange commission rates, rules and regulations of the stock clearing corporation of the New York stock exchange, the New York Cotton Exchange Clearing Association rules, the clearing house regulations of the Chicago Board of Trade and general instructions for internal revenue returns for dealers in future contracts in commodities.

M. J. SHUGRUE.

VAN DEVENTER, J. H., editor. *Planning production for profit.* (New York: Engineering Mag. Co. 1921. Pp. xii, 333.)

VERNON, H. M. *Industrial fatigue and efficiency.* (New York: Dutton. 1921. Pp. viii, 264. \$5.)

WADLEIGH, F. R. *A coal manual for salesmen, buyers and users.* (Cincinnati, O.: National Coal Mining News. 1921. Pp. 184.)

WALTON, S. and FINNEY, H. A. *Mathematics of accounting and finance.* (New York: Ronald. 1921. Pp. ix, 274. \$4.)

There are many school texts on commercial arithmetic, but for the most part they are too rudimentary to be of much value to others than those who have not gone beyond the elementary and fundamental processes of mathematics. The present book has been prepared as a manual of business calculations and is intended to be useful particularly to persons engaged in accounting and in the various lines of finance. The earlier chapters deal with a number of short processes and offer practical suggestions that may be applied in many different routine computations. In the central portion attention has been given to special applications of arithmetical principles and short methods to the problems of individual lines of business. The last chapters explain in simple terms convenient ways of using logarithmic and actuarial methods of solving business problems relating to compound interest, investments, annuities, bond discount and premium, effective bond rates, leaseholds and depreciation. Many of these matters are covered in a very brief manner but the book on the whole is of decided practical service.

M. J. S.

WILLARD, R. D. *System building and constructive accounting.* (New York: McGraw-Hill. 1922. Pp. viii, 307. \$4.)

WYCKOFF, R. D. *How I trade and invest in stocks and bonds.* (New York: Mag. of Wall St., 42 Broadway. 1922. \$5.)

- The advertising year book for 1921-1922.* Published for the Associated Advertising Clubs of the World. (Garden City, N. Y.: Doubleday, Page. 1922.)
- Facts for salesmen; Raynsters; information for salesmen of the clothing division of the United States Rubber Co.* (New York: U. S. Rubber Co. 1921. Pp. 59.)
- Law, banking and business.* Six vols. (Chicago: American Institute. 1921.)
- MacGregor's book of bank advertising.* (New York: Bankers Pub. Co. 1921. Pp. 388. \$5.)
- Modern foremanship and production methods. Cost control in the shop; Wages and incentives; What is production and why?* Tenth, eleventh, and twelfth work manuals. (Chicago: La Salle Extension Univ. 1921. Pp. vii, 62; vii, 77; vii, 70.)
- Operating expenses in retail shoe stores in 1920.* Publications of the Graduate School of Business Administration, Harvard University, vol. VII, no. 4. Bulletin no. 28, Bureau of Business Research. (Cambridge: Harvard Univ. Press. 1921. Pp. 27. \$1.)
- Proceedings of the National Association of Office Managers, 1921 conference.* (Springfield, Mass.: Mr. F. L. Rowland, Sec., Gilbert & Barker Mfg. Co. 1922. Pp. 55. \$1.)
- Proceedings of the tenth annual convention of the Investment Bankers Association of America.* (Chicago: Frederick R. Fenton, Sec., 111 Monroe St. 1921. Pp. 415.)
- Stumme's time calculator; an accurate time calculator for time and discount.* (Readlyn: Ia.: E. C. Stumme & Co. 1921. Pp. 367. \$7.50.)
- Suggested methods of handling plant operating income and expense accounts.* (Chicago: Inst. of Am. Meat Packers, 22 W. Monroe St. 1921. Pp. iii, 53.)
- The teaching of commercial subjects.* (New York: Pitman. 1921. Pp. vii, 128. 75c.)

Capital and Capitalistic Organization

NEW BOOKS

- BONNETT, C. E. *Employers' associations in the United States.* (New York: Macmillan. 1922. \$4.)
- CHAMBERLAIN, A. H. and J. F. *Thrift and construction.* (Philadelphia: Lippincott. 1922. Pp. 272. \$1.40.)
- REES, J. M. *Trusts in British industry, 1914-1921.* (London: King. 1922.)
- ROSBROOK, A. I. *A treatise on the law of corporations in New York, based on the reported decisions and written in connection with the statutes regulating corporations, as amended to January 1, 1922.* (Albany, N. Y.: M. Bender & Co. 1922. Pp. cxlvi, 1264.)